

**SMALL RENEWABLE GENERATOR
POWER PURCHASE AGREEMENT
FOR FACILITIES UP TO 3 MEGAWATTS**

**SB 32 Feed-in-Tariff
Joint IOU Form PPA Workshop**

February 22, 2012

Participating IOUs :

Southern California Edison – Bill Walsh & Todd Larsen
San Diego Gas and Electric – Abby Snyder & Ted Roberts
Pacific Gas and Electric – Charles Middlekauff & Carlos Abreu

Agenda

- **Introduction**
 - Scope & Objectives
 - Joint IOU process
- **Review of Joint IOU PPA Terms**
 - Term-by-term review
 - Questions
- **Next Steps**
- **General Q&A on Joint IOU PPA (time permitting)**

Introduction

- **Scope**
 - The scope of today's workshop is to review the form PPA.
 - Discussion or debate of program pricing and other program details that will be the subject of the Proposed Decision issued by the CPUC in Q1 2012 is not within the scope of today's workshop.
- **Objective**
 - The primary objective of today's workshop is to communicate the terms of the joint IOU form PPA.
- **Joint IOU Process**
 - The joint PPA is pursuant to an ALJ ruling to create a single IOU contract for the SB 32/Section 399.20 program using PG&E's existing FIT PPA as starting point.
 - The joint IOU PPA balances the needs the Buyer and Seller.
 - The joint IOU PPA uses terms and conditions of existing IOU PPAs that are familiar to the market.

Key SB 32 Program Terms to be Addressed in CPUC Proposed Decision

No.	Program Terms to be Addressed	Assumption in Joint IOU PPA
1.	Pricing	Pricing left to be determined. Provisions related to time of delivery (TOD) factors may be removed or updated, pending a decision on program pricing
2.	Program Size Cap & IOU Share of Program Cap	To be addressed in tariff
3.	Project Viability Criteria	To be addressed in tariff
4.	Strategically Located/ Location Restrictions	To be addressed in tariff or CPUC decision
5.	Interconnection (e.g. inclusion of CPUC Rule 21 interconnections)	Transmission voltage (CAISO) or distribution voltage (WDT, WDAT) interconnections reflected in PPA
6.	Resource Adequacy (statutory requirement for FIT projects to count towards RA requirements)	Full deliverability (provides for RA) assumed in PPA
7.	Program implementation details	To be addressed in tariff or CPUC decision
8.	CSI/SGIP/NEM Refund	Seller required to be in compliance with whatever is decided by CPUC

* Slide added per Energy Division request.

Outline of Joint IOU PPA Terms

1. Documents Included
 2. Seller's Generating Facility and COD
 3. Contract Capacity and Quantity; Term; Contract Price; Billing
 4. Green Attributes; Resource Adequacy Benefits; EIRP Requirements; ERR Requirements
 5. Representation and Warranties; Covenants
 6. General Conditions
 7. Indemnity
 8. Limitation of Damages
 9. Notices
 10. Insurance
 11. Force Majeure
 12. Guaranteed Energy Production
 13. Credit and Collateral Requirements
 14. Events of Default and Termination
 15. Scheduling Coordinator; Forecasting Penalties; CAISO Penalties; Governmental Charges
 16. Release of Information and Recording Conversation
 17. Assignment
 18. Governing Law
 19. Severability
 20. Counterparts
 21. General
 22. Dispute Resolution
 23. Interpretation
- Appendices

1. Documents Included

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
N/A	Table of Contents	Table of Contents added to aid Seller and Buyer review and contract administration	No	Table of Contents added
1.	Documents Included	Lists all Appendices included in the PPA	No	List of Appendices added

2. Seller's Generating Facility and COD

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
2.0 – 2.6	Seller's Generating Facility and Commercial Operation Date	<p>Seller Completes Facility Specific Information</p> <p>2.3 Identifies Facility as baseload or as-available</p> <p>2.4 Seller identifies Interconnection Point</p> <p>2.5 Seller identifies Delivery Point</p> <p>2.6 Facility Description to be attached and incorporated as Appendix E</p>	No	Added section for identification of Facility as baseload or as-available
2.7	Expected Commercial Operation Date; Guaranteed Commercial Operation Date	<p>2.7.1 Seller completes Expected Commercial Operation Date</p> <p>2.7.2 "Guaranteed Commercial Operation Date" (GCOD) is 18 months after the Execution Date</p> <p>GCOD may be extended for a period not more than 12 consecutive months for Permitted Extensions</p>	No	<p>Added requirement that Seller provides notice 60 days before Commercial Operation</p> <p>Added provisions to allow for an extension of up to 12 months for Force Majeure, permitting or transmission delays</p>
2.8	Notice of Permitted Extensions	2.8.1 Describes process for submitting a Notice of Permitted Extensions: Notice and reason for delay requested no later than 16 months after Execution Date.	No	Existing FIT PPA does not have extension provisions

2. Seller's Generating Facility and COD (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
2.9	Interconnection Queue Position	<p>Seller identifies project's queue position</p> <p>The Project's interconnection queue position may only be used for the sole benefit of the Project</p>	No	Added for identification of interconnection queue position

3. Contract Capacity and Quantity; Term; Contract Price; Billing

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
3.1	Contract Capacity	Contract Capacity cannot exceed 3,000 kW Definition of “Contract Capacity” provides for capacity reduction, if full Contract Capacity is not installed by COD	No	Changed from previous Nameplate capacity of 1,500kW Allows for program capacity to be used by others, if project’s full Contract Capacity is not installed
3.2	Contract Quantity	Seller identified Contract Quantity for each Contract Year	No	Existing FIT PPA did not identify Contract Quantity (needed for Guaranteed Energy Production purposes and IOU portfolio planning)
3.3	Transaction	Seller identifies whether contract is for full buy/sell or excess sale arrangement	No	
3.4	Term of Agreement; Survival Rights and Obligations	Term commences on the Execution Date Certain rights and obligations survive, even in the event that the PPA is terminated	No	Added definition for Term of Agreement and clarified survival rights and obligations based on SCE’s RAM PPA and review of provisions that survive the termination of the Agreement

3. Contract Capacity and Quantity; Term; Contract Price; Billing (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
3.5	Delivery Term (Conditions Precedent)	<p>Seller identified the Term of the PPA : 10, 15, or 20 Contract Years</p> <ul style="list-style-type: none"> • 3.5.1 Eligible Renewable Energy Resource pre-certification from CEC and WREGIS registration is required • 3.5.2 Commercial Operation Date Letter required • 3.5.3 Collateral Requirement must be posted • 3.5.4 All CAISO agreements, interconnection, and metering requirements must be satisfied • 3.5.5 SGIP, CSI, and other incentives have been reimbursed • 3.5.6 Required insurance documentation provided • 3.5.7 Inspection and Maintenance report provided • 3.5.8 Full Capacity Deliverability Status obtained • 3.5.9 Telemetry requirements satisfied • 3.5.10 Certified statement regarding capacity provided, if requested 	No	<p>Consolidated conditions precedent to be satisfied before Delivery Term into a user friendly list . New or revised requirements are addressed in their respective sections</p> <p>CEC will not certify a Facility before it is in Commercial Operation so Section 3.5.1 was changed to “pre-certification”</p> <p>Replaced Initial Energy Delivery Date with Commercial Operation Date as both terms refer to the same event under this PPA</p>

3. Contract Capacity and Quantity; Term; Contract Price; Billing (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
3.6	Contract Price	<p><i>Pricing To Be Determined</i></p> <p>3.6.2 Hourly excess deliveries: Delivered Energy in excess of 110% of Contract Capacity in any hour will be paid \$0/kWh</p> <p>3.6.3 Annual excess deliveries: Delivered Energy in excess of 120% of the annual Contract Quantity will be paid 75% of the Contract Price</p>	No	<p>TOD, if applicable, would be IOU-specific</p> <p>Accommodates the inherent production characteristics of the intermittent technologies but ensure compliance with statutory requirement that the generator size not exceed 3 MW.</p> <p>Pricing for excess Contract Quantity adjusted to conform with other IOU PPAs and protect against under estimating to circumvent performance requirements</p>
3.7	Billing	<p>3.7.1 Amount of Product purchased by Buyer from Seller under this Agreement at the Delivery Point is determined by the meter specified in Section 6.2.1 or Check Meter, as applicable.</p> <p>3.7.3 TOD Payment Calculation (if included in FIT program pricing)</p> <p>3.7.4-3.7.9 Outlines invoice and settlements process</p>	No	<p>Added invoice and settlement provisions to provide more clarity with respect to procedures and calculations, including provisions for outages, Force Majeure and curtailment, past due amounts, invoice disputes and interest calculation.</p> <p>Added provision for Buyer receiving payment for invoice issued to Seller.</p> <p>Added reference to Check Meter, if applicable</p>
3.8	Title and Risk Loss	Title to and risk of loss related to the Product from the Facility shall transfer from Seller to Buyer from the Delivery Point	No	Clarified the title to and risk of loss related to the Product

3. Contract Capacity and Quantity; Term; Contract Price; Billing (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
3.9	No Additional Incentives	Seller shall not seek SGIP, CSI, net metering, or other ratepayer subsidized incentives during the Term	No	No Substantive Change
3.10	Small Hydro/Private Energy Producer	Seller agrees to provide to Buyer copies documents identified in California Public Utilities Code Section 2821(d)(1), if applicable	No	No Substantive Change
3.11	Site Control	<p>Seller shall have Site Control as of the earlier of:</p> <p>(a) the COD; or (b) any date before COD</p> <p>Seller shall maintain Site Control throughout the Delivery Term</p>	No	Requirement is consistent with existing IOU PPAs

4. Green Attributes; Resource Adequacy Benefits; EIRP Requirements; ERR Requirements

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
4.1	Green Attributes	Seller conveys all Green Attributes to Buyer as part of the Product being Delivered	No	<i>(Non-modifiable contract term per CPUC)</i>
4.2	Conveyance of Product	Seller must take all necessary actions to effectuate the use of Green Attributes, Resource Adequacy Benefits and Capacity Attributes	No	Added language to clarify Buyer's exclusive right to the Product
4.3	WREGIS	<p>PG&E and SDG&E:</p> <p>Seller shall, at its sole expense take all actions to ensure that all WREGIS Certificates for the RPS project are issued and tracked</p> <p>Buyer at its sole discretion shall have the right to direct Seller to cause and allow Buyer to be the "Qualified Reporting Entity" and "Account Holder"</p> <p>Seller shall, at its sole expense, ensure that WREGIS certificates correspond with Delivered Energy for such month</p> <p>SCE:</p> <p>Seller shall cause and allow Buyer to be the "Qualified Reporting Entity" and "Account Holder"</p>	Yes	<p>WREGIS provisions modified to conform with existing IOU PPAs and to describe processes</p> <p>PG&E/ SDG&E and SCE have different requirements due to different internal procedures</p>

4. Green Attributes; Resource Adequacy Benefits; EIRP Requirements; ERR Requirements (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
4.4	Resource Adequacy Benefits	<p>4.4.1 Seller shall seek Interconnection study to obtain Full Capacity Deliverability Status</p> <p>4.4.2 Seller assigns Capacity Attributes to Buyer</p> <p>4.4.3 Seller shall comply with RA requirements set forth in CAISO tariff</p>	No	Full Deliverability/ RA required
4.5	Eligible Renewable Resource (ERR)	<p>Seller required to take all actions necessary to achieve and maintain ERR status</p> <p>Seller must seek CEC certification within 30 days of COD</p> <p>If there is a change in law with respect to the generating facility's ability to qualify as an ERR, then Seller required to expend commercially reasonable efforts to comply.</p>	No	To be eligible for this PPA, Seller's generating facility must be an ERR
4.6	Eligible Intermittent Resource Protocol ("EIRP") Requirements	If eligible at any time, Seller required to participate in and comply with EIRP. In addition, if requested by Buyer, Seller has participate and comply with all protocols issued by the CAISO for a Participating Intermittent Resource	No	Clarified that, if eligible at any time during the Term, Facilities are required to participate in EIRP

5. Representation and Warranties; Covenants

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
5.1	Representations and Warranties	On the Execution Date, each Party represents and warrants listed items	No	No substantive changes
5.2	General Covenants	<p>Each Party covenants that throughout the Term of this Agreement:</p> <p>5.2.1 Duly organized</p> <p>5.2.2 Maintains regulatory authorization</p> <p>5.2.3 Does not violate terms and conditions</p>	No	<p>No substantive Changes</p> <p>Moved representation regarding Seller and Buyer entering into the Agreement “based upon its own judgment” (formerly Section 4.1.6) to Seller’s representations (Section 5.3.7) because the utilities are required to make the FIT PPAs available and thus are not entering into them based on an independent decision or judgment.</p>
5.3	Seller’s Representations, Warranties, and Covenants	Seller represents , warrants, and covenants to listed items in Section 5.3	No	<p><i>(Includes non-modifiable contract terms per CPUC)</i></p> <p>Added Seller representation and warranty in Section 5.3.9 regarding compliance with applicable laws as required by Public Utilities Code Section 399.20(q).</p> <p>Added additional representations and covenants regarding absence of shared interconnection agreements and facilities to address division of larger projects to participate in the FIT Program</p>

6. General Conditions

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
6.1	CAISO Agreements and Interconnection Agreements	<p>Seller shall operate the Facility in compliance with the Transmission/Distribution Owner tariffs, the CAISO Tariff, and all Laws</p> <p>Specifies the CAISO agreements that the Seller shall enter into and maintain during the Delivery term</p>	No	<p>Clarifies that Seller shall comply with all applicable tariffs including the CAISO Tariff.</p> <p>A Seller agrees to enter into a Participating Generator Agreement with the CAISO if the Facility's net capacity is 500 kW or greater or if the CAISO Tariff requires or provides Seller the option to enter into such an agreement.</p>
6.2	Metering Requirements	<p>6.2.1 All output from the Project must be delivered through a single CAISO revenue meter or revenue meter specified by the Buyer</p> <p>6.2.1 Buyer may install one Check Meter at the interconnection site</p>	No	<p>Clarifies metering requirements</p> <p>Included language to allow Buyer the option of installing a Check Meter at Buyer's cost</p>
6.3	Meter Data	Seller hereby agrees to provide all meter data to Buyer in a form acceptable to Buyer, and consents to Buyer obtaining from the CAISO the CAISO meter data applicable to the Project	No	Clarifies Buyer's access to meter data and conforms with PG&E's RAM PPA
6.4	Standard of Care	Seller shall operate with a Standard of Care in accordance with Prudent Electrical Practices	No	Replaced "Good Utility Practices" with the more thorough defined term "Prudent Electrical Practices"

6. General Conditions (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
6.5	Access Rights	<p>6.5.1 Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis.</p> <p>6.5.2 Buyer has rights to visit the project for purposes relating to the PPA</p>	No	Replaced with provisions based on Operations Logs and Access Rights Section based on PG&E's RAM PPA, Section 3.8, which provide more clarity to Parties' obligations, but reduced the period for Seller to provide information under Section 6.5.1 to 20 days from 30 days.
6.6	Protection of Property	Each Party shall be responsible for protecting its own facilities from possible damages	No	No substantive changes
6.7	Performance Excuses	<p>6.7.1 Seller shall be excused from achieving the Guaranteed Energy Production during Seller Excuse Hours</p> <p>6.7.2 The obligation of Buyer to receive and/or pay for the Product shall be excused only</p> <p>(a) during periods of Force Majeure,</p> <p>(b) by Seller's failure to perform, or</p> <p>(c) as provided with respect to curtailment in Section 6.8</p>	No	Updated based on Seller and Buyer performance excuses based on PG&E's RAM PPA

6. General Conditions (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
6.8	Seller Curtailment	<p>Seller shall promptly curtail the production of the Facility:</p> <ul style="list-style-type: none"> a) upon Notice from Buyer that Buyer has been instructed by the CAISO or the Transmission/Distribution Owner to curtail Energy deliveries [not paid] b) upon Notice that Seller has been given a curtailment order or similar instruction in order to respond to an Emergency [not paid] c) if Buyer self-schedules and no Schedule was awarded in either the Day-Ahead Market or the Real-Time Market [not paid] d) if Buyer bids and no Schedule was awarded in either the Day-Ahead Market or the Real-Time Market [paid] e) if Buyer issues an OSGC Order. [paid] 	No	<p>Added/ updated seller curtailment provisions based on SCE's SPVP PPA.</p> <p>In the curtailment scenarios a) to c), the Buyer does not have an obligation to pay (not substantively changed from Existing FIT PPA)</p> <p>In the curtailment scenarios d) and e), which is essentially economic curtailment, the Buyer is obligated to pay, based on the terms and conditions described</p>
6.9	Forecasting and Outage Notifications	Seller shall comply with the forecasting and outage notifications in Appendix D.	No	Modified to state that scheduling and outage requirements are addressed in Appendix D, which provides more detail and are IOU-specific
6.10	Telemetry Requirements	Seller shall comply with the telemetry requirements in Appendix F.	No	<p>Included provision requiring Seller to comply with telemetry requirements</p> <p>Appendix F provides for an aggregated telemetry solution for Projects less than 500 kW</p>

6. General Conditions (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
6.11	Greenhouse Gas Emissions	Seller takes actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for emissions	No	No substantive changes
6.12	Reporting	<p>6.12.1 Seller shall provide Project development status reports</p> <p>6.12.2 Seller shall provide report listing all WMDVBEs that supply goods or services by Jan 31 of each year</p> <p>6.12.3 Seller shall provide to Buyer on the COD, and in every other Contract Year thereafter during the Delivery Term, an inspection and maintenance report regarding the Facility.</p>	No	<p>Added project status reporting requirements and WMDVBE reporting requirements</p> <p>Added requirement for Bi-Annual Inspection Reports consistent with Public Utilities Code Section 399.20(p) requirements</p>
6.13	Tax Withholding Documentation	Upon Buyer's request, Seller shall promptly provide to Buyer Internal Revenue Service tax Form W-9 and California tax Form 590.	No	Added requirement to provide tax withholding documentation, if requested

7. Indemnity

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
7.0-7.3	Indemnity	7.1 Each Party as indemnitor shall defend, save harmless and indemnify the other Party , as described	No	Updated provisions based on indemnification language based on SCE's SPVP PPA

8. Limitation of Damages

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
8.	Limitation of Damages	Describes limitation of damages	No	No substantive changes

9. Notices

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
9.	Notices	Description of Notices procedures	No	Added Appendix J that includes IOU-specific Notice Lists.

10. Insurance

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
10.0 - 10.4	Insurance, Insurance Coverage	Outlines insurance requirements with respect to: <ul style="list-style-type: none">• General commercial liability• Worker's compensation• Commercial automobile• Umbrella/ excess liability	No	Updated based on requirements in SCE's SPVP PPA Added provision clarifying that governmental agencies with an established record of self-insurance may self-insure
10.2	Additional Insurance Provisions	Outlines additional insurance provisions, primarily related to processes and procedures	No	Clarifies other insurance provisions, primarily related to processes and procedures

11. Force Majeure

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
11.	Force Majeure	<p>Outlines processes when Force Majeure has occurred.</p> <p>Under certain conditions, the non-claiming party may be able to terminate the PPA</p>	No	Added concepts and procedures regarding “Force Majeure” claims based on SCE’s SPVP PPA, to accommodate such delays of the Commercial Operation Date and to facilitate Buyer and Seller contract administration

12. Guaranteed Energy Production

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
12.	Guaranteed Energy Production	<p>12.1 Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production over two (2) consecutive Contract Years during the Delivery Term</p> <p>The Guaranteed Energy Production is as follows:</p> <ul style="list-style-type: none"> • Wind: 140% • All other as-available technology: 170% • Baseload: 180% <p>Guaranteed Energy Production = (140% or 170% or 180% * Contract Quantity in MWh) * [(Hrs in Performance Measurement Period - Seller Excuse Hrs) / Hrs in Performance Measurement Period]</p> <p>12.2 GEP Damages are calculated pursuant to Appendix G</p>	No	Added provisions related to Guaranteed Energy Production requirements

13. Credit and Collateral Requirements

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
13.1	Credit and Collateral Requirements	Collateral Requirement is \$20 per kW if Contract Capacity is less than 1,000 kW, or \$50 per kW, if Contract Capacity is greater than or equal to 1,000 kW, and must be in the form of a cash deposit or letter of credit	No	Added credit and collateral requirements based Energy Division Staff Proposal, PG&E's RAM PPA, and SCE's SPVP PPA
13.2		Collateral Requirement posted and maintained until throughout the Term of the agreement	No	Clarifies collateral provisions
13.3		If by COD or GCOD, Seller is not capable of delivering any of the Contract Capacity, Seller forfeits the entire collateral amount. If only a portion of Contract Capacity, a pro-rata portion of the collateral is forfeited	No	Updated to reflect the terms in SCE's SPVP PPA The unused portion of the Contract Capacity becomes available to the market
13.4	Grant of Security Interest/ Remedies	Grants Buyer a first priority security interest in the Collateral and outlines what Buyer can do if there is an occasion under which the Buyer is authorized to retain all or a portion of the Collateral Requirement	No	Clarifies collateral provisions

13. Credit and Collateral Requirements (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
13.5	Use of Collateral Requirement	Buyer can draw upon Collateral Requirement for any damages arising from Buyer's declaration of an Early Termination Date and discusses return of Collateral	No	Clarifies collateral provisions
13.6	Letter of Credit	Discusses obligations of Letter of Credit	No	Clarifies collateral provisions

14. Events of Default and Termination

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
14.1	Termination	Unless otherwise ending in Early Termination, Agreement automatically terminates immediately following the last day of the Delivery Term.	No	No substantive changes
14.2	Events of Default	<p>14.2.1 Events of Default with respect to either party :</p> <ul style="list-style-type: none"> • Bankruptcy • Failure of a Party to perform any material covenant or obligation • Fails to make any payment due and not cured within five days <p>14.2.2 With respect to Seller:</p> <ul style="list-style-type: none"> • Fails to take all corrective actions specified in any Buyer Notice • COD not achieved by GCOD • Has not sold greater than 10% of applicable Contract Quantity in twelve (12) consecutive months • False or misleading rep and warranty • Fails to post/ maintain collateral • Abandons facility • Above Contract Capacity installed or Product not from Facility • Fails to install equipment needed for Contract Capacity • Unauthorized assignment of Facility • Failure to reimburse amounts due • Breaches requirements regarding incentives 	No	Added mutual events of default to clarify conditions under which either Buyer or Seller may terminate the PPA

14. Events of Default and Termination (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
14.3	Declaration of and Event of Default	Describes non-defaulting party's rights including : (d) Buyer shall have the right to collect any Settlement Amount under Section 14.5; and (e) if the defaulting party is the Seller and Buyer terminates the Agreement prior to the start of the Commercial Operation Date	No	Clarifies the non-defaulting Party's termination rights
14.4	Release of Liability for Termination	14.4.1 Upon termination of this Agreement neither Party shall be under any further obligation or subject to liability hereunder, except provided in Section 3.4.2. 14.4.2 If an Event of Default shall have occurred, the non-defaulting Party has the right to immediately suspend performance	No	Clarifies terms for release of liability
14.5	Calculation of Settlement Amount	Non-defaulting Party shall calculate a "Settlement Amount" equal to the amount the non-defaulting Party's aggregate Losses and Costs less any Gains, determined as of the Early Termination Date. If Gains exceed Losses and Cost, Settlement Amount is zero	No	Adds provisions for calculation of Settlement Amount
14.6	Rights and Remedies Are Cumulative	The rights and remedies of the Parties shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.	No	

14. Events of Default and Termination (continued)

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
14.7	Duty to Mitigate	Buyer and Seller shall each have a duty to mitigate damages pursuant to this Agreement	No	Adds provision related to duty to mitigate
14.8	Right of First Refusal	Outlines Buyers right of first refusal	No	Adds provision from SCE's RAM PPA related to Buyer's right of first refusal
14.9	Transmission Costs Termination Right	<p>Buyer has right to terminate agreement, if:</p> <p>14.9.1 Most recent study or interconnection agreement has reimbursable costs above an established threshold; or</p> <p>14.9.2 Buyer must procure transmission service from any other Transmission/Distribution Owner</p>	No	Added provision

15. Scheduling Coordinator; Forecasting Penalties; CAISO Penalties; Governmental Charges

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
15.1	Scheduling Coordinator	<ul style="list-style-type: none"> • Buyer shall be Seller's designated Scheduling Coordinator (as defined by CAISO Tariff) • Seller shall comply with all forecasting and outage notification requirements in Appendix D • Buyer shall be responsible for all costs and charges assessed by the CAISO with respect to Scheduling and imbalances except as provided in Sections 15.2 and 15.3 below 	No	Modified description of Scheduling Coordinator duties to provide more clarity regarding the Parties' rights and obligations
15.2	Forecasting Penalties and CAISO Penalties	<p>Seller is liable for Forecasting Penalties and CAISO Penalties under the following circumstances:</p> <ul style="list-style-type: none"> • Seller's Failure to comply with Appendix D and Energy Deviations exceed tolerance band • Seller's failure to adhere to CAISO and PPA obligations or directives 	No	Updated using provisions from existing IOU PPAs
15.3	Availability Charges	Charges subject to Section 40.9 of the CAISO Tariff will be for the benefit of Seller and for Seller's account and any Non-Availability Charges will be the responsibility of Seller and for Seller's account	No	Clarified that Seller shall bear the responsibility and benefit of any Non-Availability Charges and Availability Incentive Payments
15.4	Governmental Charges	Seller shall pay or cause to be paid all taxes imposed by any Governmental Authority ("Governmental Charges") on or with respect to the Product or the Transaction arising at the Delivery Point	No	Added provision to address Governmental Charges

16. Release of Information and Recording Conversation

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
16.1	Release of Information	Outlines release of information provisions [Note: Confidentiality provision may need to be modified depending on how Contract Price is determined]	No	No Substantive Changes
16.2	Recording	Unless a Party expressly objects to a recording at the beginning of a telephone conversation, each Party consents to the creation of a recording of all telephone conversations between Buyer's employees or representatives performing a Scheduling Coordinator function and any representative of Seller	No	Added provision regarding recording of conversations

17. Assignment

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
17.1	General Assignment	Except as provided in Sections 17.2 and 17.3, neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld	No	Assignment provision updated with provisions from PG&E'S RAM PPA Appendix K is the General Consent to Assignment form specific to PG&E
17.2	Assignment to Financing Providers	Written consent necessary to assign Agreement to financing provider who is bound to the same terms and conditions	No	Assignment provision updated with provisions from PG&E'S RAM PPA Appendix L is the Financing Consent to Assignment form specific to PG&E
17.3	Notice of Change in Control	Except in connection with public market transactions of the equity interests or capital stock of Seller or Seller's Affiliates, Seller shall provide Buyer notice of any direct change of control of Seller	No	Assignment provision updated with provisions from PG&E'S RAM PPA

18. Governing Law

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
18.	Governing Law	<i>(Non-modifiable contract term per CPUC)</i>	No	N/A

19. Severability

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
19.	Severability	All provisions remain in full-force and effect to the extent not held invalid or unenforceable	No	No substantive change

20. Counterparts

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
20.	Counterparts	Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.	No	No substantive change

21. General

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
21.	General	No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both Parties.	No	

22. Dispute Resolution

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
22.1	Intent of the Parties	Parties must resolve any claim through dispute resolution procedure set forth in this Section 22, except that either Party may seek an injunction in Superior Court in [utility-specific location]	No	Added Dispute Resolution provisions based on PG&E'S RAM PPA
22.2	Management Negotiations	The Parties will first attempt to resolve any controversy or claim through management negotiations, per an outlined process.	No	Added Dispute Resolution provisions based on PG&E'S RAM PPA
22.3	Arbitration Initiation	If the dispute cannot be resolved through management negotiations, then the Parties shall resolve such controversy through arbitration	No	Added Dispute Resolution provisions based on PG&E'S RAM PPA
22.4	Arbitration Process	<p>Outlines arbitration process</p> <p>PG&E-specific provision (22.4.1) regarding baseball arbitration</p>	Yes	Added Arbitration process provisions

23. Interpretation

Sec.	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
23.	Interpretation	Whenever this Agreement specifically refers to any Law, tariff, Governmental Authority, regional reliability council, Transmission/Distribution Owner, or credit rating agency, the Parties hereby agree that the references also refers to any successor to such Law, tariff or organization.	No	Added provision from SCE's pro forma PPA to clarify the interpretation of the Agreement with respect to successor laws or entities.

Appendices

App	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
A	Definitions	Definition of defined terms used in the PPA	No	<p>Included clearer identification and definition of Delivery Point</p> <p>Aligned/ added terms to ensure they are consistent with new provisions in the PPA</p> <p>Changed the term “Nameplate Capacity” to “Contract Capacity”</p>
B	Commercial Operation Date Confirmation Letter	Letter sent by Seller to confirm COD date	No	No substantive change
C	Time of Delivery Periods and Factors	Describes TOD factors, if they are to be used in the program’s pricing proposal. Each IOU will have different TOD Factors.	Yes	Each IOU will have different TOD Factors
D	Forecasting and Outage Notification Requirements	Describes the forecasting and outage notification requirements	Yes	Each IOU has different standard requirements, given their IOU-specific procedures for scheduling their respective generation portfolios
E	Description of the Facility	Provides a cover sheet for the description of the facility to be submitted by the Seller and lists required information	No	Updated to request specific information regarding facility
F	Telemetry Requirements	Lists the telemetry requirements for the project	Maybe	SCE and PG&E have the same telemetry requirements. SDG&E’s requirements are to be determined

Appendices (continued)

App	Title	Description of Proposed Joint IOU FIT PPA	IOU-Specific?	Substantive Changes from Existing PG&E FIT PPA
G	Guaranteed Energy Production Damages	Describes the calculation of Guaranteed Energy Production Damages. The calculation has a floor of \$20/MWh and a cap of seventy five percent (75%) of the Contract Price (in \$/MWh)	No	Added Guaranteed Energy Production Damages Calculation (referenced in Section 12.2)
H	Form of Letter of Credit	Provides a form Letter of Credit	Yes	Each IOU will have a different form, given their respective Credit policies
I	Seller's Milestone Schedule	Seller to input the project's milestone schedule Section 6.12.1 requires the Seller to make reasonable efforts to meet the schedule	No	Added milestone schedule
J	Notices List	Provides Buyer contact information to where notices should be provided	Yes	Each IOU will have a different form
K	Form of General Consent to Assignment	Provides PG&E-specific form of general consent to assignment, which should not be modified by Seller	Yes	PG&E form provided; SCE and SDG&E forms provided upon request from Seller
K	Form of Financing Consent to Assignment	Provides PG&E-specific form of financing consent to assignment, which should not be modified by Seller	Yes	PG&E form provided; SCE and SDG&E forms provided upon request from Seller

Next Steps

- **February 27, 2012 (Noon):** Deadline for redlined comments to Joint IOU PPA (MS Word version will be provided, use tracked changes) emailed to Lauren Rohde (ldri@pge.com).
- **March 7, 2012:** IOUs file a revised PPA, based on feedback from today's workshop.
- **March 14, 2012:** Workshop on revised Joint IOU PPA

Date and Time	Wednesday, March 14, 2012 at 9:00 am
Location	PG&E Offices, 245 Market St, San Francisco, CA (Please use the Market St. Entrance)
Call-in Number	1-866-587-0333 Meeting Number: *4159733634* (don't forget the asterisks)
Scope	Per ALJ DeAngelis' ruling, the purpose of this workshop is for the utilities to explain the revisions to the Joint IOU PPA and for the parties to meet and confer on the topic of filing joint comments
RSVP	Email Lauren Rohde (ldri@pge.com)

- **March 21, 2012:** Parties comment on revised PPA
- **Q2 2012:** The CPUC issues a proposed decision on the contract jointly filed by the IOUs.

Questions?